



SPECIAL COUNCIL – 28TH MARCH 2018

SUBJECT: POTENTIAL REINSTATEMENT OF DEFERRED 2018/19 SAVINGS PROPOSALS

REPORT BY: INTERIM HEAD OF CORPORATE FINANCE & ACTING SECTION 151 OFFICER

1. PURPOSE OF REPORT

- 1.1 To present Council with details of 2018/19 deferred savings that may need to be reinstated depending on the outcome of Cabinet consideration of a further report on the future of Pontllanfraith Leisure Centre at its meeting on the 28th March 2018.

2. SUMMARY

- 2.1 On the 13th December 2017 Cabinet considered a report on the future of Pontllanfraith Leisure Centre and agreed a number of resolutions including the closure of Pontllanfraith Leisure Centre.
- 2.2 The Cabinet decision was the subject of a call-in which was considered by the Regeneration and Environment Scrutiny Committee on the 18th January 2018, where it was resolved to refer the matter back to Cabinet for further consideration.
- 2.3 At its meeting on the 22nd February 2018 Council noted that alternative savings totalling £107k will need to be identified during the 2018/19 financial year in the event that the proposed closure of Pontllanfraith Leisure Centre does not proceed. Furthermore, additional budgetary growth of circa £17k would be required due to the Leisure Centre now been classified as a single premises for the purpose of rating assessments. Since the Council meeting further annual costs of £12k have been identified in relation to standing charges for utilities and for security of the vacated schools premises.
- 2.4 At its meeting on the 28th March 2018 Cabinet will consider a further report that sets out the basis for the call-in and the further consultation that has taken place as a result. The report requests that Cabinet considers this additional information and either re-affirms its original decision or considers a change to the decision based on this additional consultation.
- 2.5 One of the options for Cabinet to consider is to defer the decision to close Pontllanfraith Leisure Centre taken on 13th December 2017, and consider the future of the Centre later in 2018 once the 10 year Sport and Leisure Strategy for the Authority has been adopted. In the event that this is the preferred option of Cabinet then alternative savings will need to be identified for the 2018/19 financial year.

3. LINKS TO STRATEGY

- 3.1 The budget setting process encompasses all the resources used by the Council to deliver services and meet priorities.
- 3.2 Effective financial planning and the setting of a balanced budget support the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015: -
- A prosperous Wales.
 - A resilient Wales.
 - A healthier Wales.
 - A more equal Wales.
 - A Wales of cohesive communities.
 - A Wales of vibrant culture and thriving Welsh Language.
 - A globally responsible Wales.

4. THE REPORT

- 4.1 As outlined above the Cabinet decision of the 13th December 2017 to close Pontllanfraith Leisure Centre was the subject of a call-in which was considered by the Regeneration and Environment Scrutiny Committee on the 18th January 2018.
- 4.2 The Scrutiny Committee resolved to support the call-in and to refer the matter back to Cabinet with a recommendation that additional consultation takes place with the Future Generations Commissioner, the Youth Forum and the Children's Commissioner. The Scrutiny Committee also recommended to Cabinet that Blackwood Town Council be provided with a formal response to their detailed consultation response.
- 4.3 At its meeting on the 28th March 2018 Cabinet will consider a further report that sets out the basis for the call-in and the further consultation that has taken place as a result. The report requests that Cabinet considers this additional information and either re-affirms its original decision or considers a change to the decision based on this additional consultation.
- 4.4 One of the options for Cabinet to consider is to defer the decision to close Pontllanfraith Leisure Centre taken on the 13th December 2017, and consider the future of the Centre later in 2018 once the 10 year Sport and Leisure Strategy for the Authority has been adopted. In the event that this is the preferred option of Cabinet then alternative savings will need to be identified for the 2018/19 financial year.
- 4.5 The detailed financial implications associated with the potential closure of Pontllanfraith Leisure Centre were included in the Cabinet report of the 13th December 2017. However, since this report was considered there have been a number of other changes in the financial landscape relevant to the future of the Leisure Centre and 3G pitch.
- 4.6 In the event that the Leisure Centre remains open there will be an additional National Non-Domestic Rate (NNDR) liability. The Centre was previously classed as a "joint use centre" situated on a school site and as such attracted significant rate relief. The new rating valuation has recently been confirmed in lieu of the school closure which results in an increase in NNDR of £17k per annum for the Leisure Centre.
- 4.7 In addition to the increased rates liability there are costs associated with standing charges for utilities and for security of the vacated schools premises. These are currently estimated to be £12k per annum.
- 4.8 The Education & Lifelong Learning Directorate previously contributed £26k per annum for the school's day-time use of the Leisure Centre and 3G pitch. This contribution will be completely lost in the event that the Centre remains open in 2018/19.

4.9 In total the anticipated annual costs of keeping the Centre open are £136k as summarised in the table below: -

	£000's
Existing net revenue budget for Centre	81
Additional NNDR liability	17
Utility charges and security of school	12
Loss of contribution from Education & Lifelong Learning	26
TOTAL: -	136

4.10 The 2018/19 Budget Proposals presented to Council on the 22nd February 2018 highlighted that alternative savings would need to be identified during the 2018/19 financial year in the event of the proposed closure of Pontllanfraith Leisure Centre not proceeding. At the Council meeting the Cabinet Member for Finance, Performance & Governance announced that the decision in respect of the proposed closure had been deferred at that time and that a report would be prepared outlining what savings would need to be reinstated in the 2018/19 financial year to meet the net operating costs of the Centre, pending a final decision on its future.

4.11 Cabinet will recall that the 2018/19 Budget Proposals presented to Council on the 22nd February 2018 recommended that savings totalling £537k should be deferred as summarised in the table below: -

Deferred Savings Proposal	£000's
Language Support in Primary Schools (vacant posts)	66
Reduction in School Improvement Initiatives budget	120
Introduction of charges for Rat Treatments	20
Deletion of vacant Community Safety Warden posts	40
Reduction in Air Quality/Contaminated Land budget	15
Partial reduction in proposed saving on Highways Maintenance	212
Introduction of charges for all bulky waste	50
Reduction in Traffic Signal Maintenance budget	11
Reduction in Tree Maintenance budget	3
TOTAL: -	537

4.12 As detailed in paragraph 4.9 of this report the annual revenue costs of Pontllanfraith Leisure Centre now stand at £136k. In the event that Cabinet determines at its meeting on the 28th March 2018 to defer the decision on the proposed closure of the Centre then Cabinet will be asked to support a recommendation to Council that the following deferred savings proposals are reinstated for the 2018/19 financial year: -

- Language Support in Primary Schools (vacant posts) - £66k
- Partial reduction in proposed saving on Highways Maintenance to be reduced from £212k to £142k.

5. WELL-BEING OF FUTURE GENERATIONS

5.1 Effective financial planning is a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

6. EQUALITIES IMPLICATIONS

6.1 An Equalities Impact Assessment (EIA) has been completed in relation to the proposed closure of Pontllanfraith Leisure Centre.

6.2 Equalities Impact Assessments (EIA's) were also completed in respect of the specific savings proposals for Language Support in Primary Schools and the proposed reduction in the Highways Maintenance budget. These EIA's were included in the reports presented to the Special Education for Life Scrutiny Committee meeting on the 7th December 2017 and the Special Regeneration & Environment Scrutiny Committee meeting held on the 13th December 2018.

7. FINANCIAL IMPLICATIONS

7.1 As detailed throughout the report.

8. PERSONNEL IMPLICATIONS

8.1 There are no direct personnel implications arising from the specific proposals contained within this report.

9. CONSULTATIONS

9.1 There are no consultation responses which have not been reflected in this report.

10. RECOMMENDATIONS

10.2 In the event that Cabinet determines at its meeting on the 28th March 2018 to defer the decision on the proposed closure of the Centre, then Council will be asked to support a recommendation from Cabinet that deferred savings proposals are reinstated for the 2018/19 financial year as set out in paragraph 4.12 of this report.

11. REASONS FOR THE RECOMMENDATIONS

11.1 To ensure that alternative savings are identified for the 2018/19 financial year in the event that Cabinet agrees to defer the decision to close Pontllanfraith Leisure Centre.

12. STATUTORY POWER

12.1 The Local Government Acts 1998 and 2003.

Author: - Stephen Harris, Interim Head of Corporate Finance
E-mail: harrisr@caerphilly.gov.uk Tel: 01443 863022

Consultees: - Corporate Management Team
Lisa Lane, Corporate Solicitor
Cllr Dave Poole, Leader
Cllr Barbara Jones, Deputy Leader & Cabinet Member for Finance, Performance and Governance

Background Papers:

- Report to Cabinet (15/11/17) – Draft Budget Proposals for 2018/19.
- Report to Special Education for Life Scrutiny Committee (07/12/17) – Medium-Term Financial Plan Savings Proposals for 2018/19.
- Report to Cabinet (13/12/17) – The future of Pontllanfraith Leisure Centre.
- Report to Special Regeneration & Environment Scrutiny Committee (13/12/17) – 2018/19 Draft Savings Proposals for the Communities Directorate.

- Report to Regeneration & Environment Scrutiny Committee (18/01/18) – Consideration of call-in request – Pontllanfraith Leisure Centre.
- Report to Cabinet (14/02/18) – Budget Proposals 2018/19 and Medium-Term Financial Strategy 2018/2023.
- Report to Council (22/02/18) – Budget Proposals 2018/19 and Medium-Term Financial Strategy 2018/2023.
- Report to Cabinet (28/03/18) – Pontllanfraith Leisure Centre – Consideration of the Call-In in the Context of the Leisure Review.